

Attachment B								
INTERGOVERNMENTAL TRANSFER - 1997								
Computation of approximate transfer amount								
Location	Facility	CY 96	(Estimate) 7.5% Incr.	CY 96	(Estimate) 2% Decr.	FY 98	Nebr Proxy for	Approximate
		Payment Before TPL	to FY 98 Pymt	XIX Days	to FY 98 Days	Est. Avg. Rate/Day	Medicare Cost Limit	Transfer Calculation
Alliance	Alliance Good Sam	1,274,662	1,370,262	17,845	17,488	78.35	109.77	549,407
Alliance	Highland Park Care Ctr	500,333	537,858	7,112	6,970	77.17	109.77	227,213
Alma	Colonial Villa Good Sam	1,011,314	1,087,163	13,033	12,772	85.12	109.77	314,857
Arapahoe	CA Mues Mem Good Sam	785,246	844,139	9,872	9,675	87.25	109.77	217,837
Ashland	Comm Care of America	1,505,404	1,618,309	19,088	18,706	86.51	109.77	435,075
Atkinson	Atkinson Good Sam	771,727	829,607	9,775	9,580	86.60	109.77	221,935
Auburn	Nemaha Co Good Sam	1,495,341	1,607,492	19,202	18,818	85.42	109.77	458,156
Beatrice	Beatrice Good Sam	1,641,812	1,764,948	25,837	25,320	69.70	109.77	1,014,457
Beatrice	Beatrice Manor	1,385,010	1,488,886	17,470	17,121	86.96	109.77	390,443
Bellevue	Hillcrest Care Ctr	1,050,839	1,129,652	16,610	16,278	69.40	109.77	657,162
Benkelman	Sarah Ann Hester Mem Home	709,500	762,713	9,094	8,912	85.58	109.77	215,571
Blair	Crowell Mem Home	2,241,144	2,409,230	23,815	23,339	103.23	112.31	211,940
Blair	Good Sheperd Lutheran Home	1,130,974	1,215,797	14,287	14,001	86.83	112.31	356,684
Bloomfield	Bloomfield Good Sam	1,116,061	1,199,766	14,118	13,836	86.72	109.77	318,973
Blue Hill	Comm Care of America	772,945	830,916	10,186	9,982	83.24	109.77	264,839
Bridgeport	Heritage of Bridgeport	584,465	628,300	9,789	9,593	65.49	109.77	424,748
Broken Bow	Sandhills Manor	1,444,273	1,552,593	21,695	21,261	73.03	109.77	781,237
Butte	Butte Healthcare Ctr	739,391	794,845	11,185	10,961	72.51	109.77	408,377
Callaway	Callaway Good Sam	407,131	437,666	5,310	5,204	84.11	109.77	133,555
Campbell	Grandview Manor	502,165	539,827	7,899	7,741	69.74	109.77	309,904
Central City	Comm Care of America	932,799	1,002,759	13,207	12,943	77.48	109.77	417,979
Chadron	Crest View Care Ctr	674,074	724,630	9,263	9,078	79.82	109.77	271,834
Clarkson	Colonial Manor of Clarkson	801,524	861,638	10,219	10,015	86.04	109.77	237,667
Columbus	Columbus Manor	2,660,897	2,860,464	31,302	30,676	93.25	109.77	506,836
Columbus	Comm Care of America	515,547	554,213	8,123	7,961	69.62	109.77	319,615
Cozad	Southview Manor Care Ctr	1,065,857	1,145,796	16,902	16,564	69.17	109.77	672,430
Crete	Crete Manor	946,146	1,017,107	16,619	16,287	62.45	109.77	770,675
Curtis	Sunset Haven NH	579,817	623,303	8,801	8,625	72.27	109.77	323,461
David City	David Place	1,177,086	1,265,367	16,137	15,814	80.01	109.77	470,564
David City	St. Joseph's Villa	609,836	655,574	8,604	8,432	77.75	109.77	269,998
De Soto	Parkview Home	695,614	747,785	11,513	11,283	66.28	109.77	490,721
De Soto	Comm Care of America	742,937	798,657	9,963	9,764	81.80	109.77	273,108
De Soto	Elkhorn Manor Nursing Ctr	1,481,646	1,592,769	18,784	18,408	86.52	109.77	427,912
Emerson	Heritage of Emerson	445,196	478,586	6,758	6,623	72.26	112.31	265,225
Exeter	Comm Care of America	764,732	822,087	10,449	10,240	80.28	109.77	301,960
Fairbury	Heritage Care Center	1,005,556	1,080,973	16,079	15,757	68.60	109.77	648,719
Falls City	Falls City Care Ctr	1,323,627	1,422,899	18,709	18,335	77.61	109.77	589,714
Falls City	Midland Villa NH	744,907	800,775	12,144	11,901	67.29	109.77	505,611
Firth	Lakeview Rest Home	709,008	762,184	8,488	8,318	91.63	112.31	172,038
Franklin	Franklin Nursing Ctr	695,169	747,307	12,431	12,182	61.34	109.77	589,953
Fremont	Arbor Manor	719,612	773,583	12,791	12,535	61.71	109.77	602,404
Fremont	Fremont Care Ctr	1,109,184	1,192,373	17,747	17,392	68.56	109.77	716,754
Fullerton	Fullerton Manor	1,407,800	1,513,385	23,281	22,815	66.33	109.77	991,059
Geneva	Heritage of Geneva	784,760	843,617	10,596	10,384	81.24	109.77	296,243
Gering	Heritage Health Care Ctr	1,075,447	1,156,106	15,349	15,042	76.86	109.77	495,057
Gibbon	Gibbon Good Sam	648,176	696,789	8,308	8,142	85.58	109.77	196,941
Gordon	Gordon Countryside Care	74,261	79,831	1,046	1,025	77.88	109.77	32,692
Gothenburg	Hilltop Estates	1,162,896	1,250,113	14,006	13,726	91.08	109.77	256,577
Grand Island	Lakeview	1,703,342	1,831,093	19,750	19,355	94.61	109.77	293,506
Grand Island	Park Place	1,837,071	1,974,851	23,624	23,152	85.30	109.77	566,491
Grand Island	Tiffany Square	103,362	111,114	1,450	1,421	78.19	109.77	44,869
Gretna	Comm Care of America	849,957	913,704	10,555	10,344	88.33	112.31	248,020
Hartington	Hartington Nursing Ctr	994,156	1,068,718	13,222	12,958	82.48	109.77	353,634
Hastings	Good Sam - Perkins Pav	3,181,657	3,420,281	40,263	39,458	86.68	109.77	910,995
Hastings	Good Sam - Villa Grace	2,332,713	2,507,666	32,525	31,875	78.67	109.77	991,197
Hebron	Blue Valley Lutheran NH	1,529,005	1,643,680	23,762	23,287	70.58	109.77	912,507
Hebron	Blue Valley Lutheran Care Home	1,224,662	1,316,512	15,871	15,554	84.64	109.77	390,805
Holdrege	Christian Homes	1,408,971	1,514,644	15,955	15,636	96.87	109.77	201,709
Holdrege	Methodist Mem Homes	1,066,606	1,146,601	11,517	11,287	101.59	109.77	92,335
Hooper	Hooper Care Ctr	646,572	695,065	8,954	8,775	79.21	109.77	268,158
Kearney	Mother Hull Home	742,833	798,545	11,121	10,899	73.27	109.77	397,792
Kearney	Mt Carmel Home	871,037	936,365	12,337	12,090	77.45	109.77	390,783
Kearney	St John's Good Sam	1,085,542	1,166,958	14,219	13,935	83.75	109.77	362,646
Kearney	St Luke's Good Sam	894,574	961,667	11,009	10,789	89.14	109.77	222,622
Kearney	Haven Home	577,136	620,421	14,281	13,995	44.33	109.77	915,852
Lexington	Plum Creek Care Ctr	984,716	1,058,570	12,582	12,330	85.85	109.77	294,934
Lincoln	The Ambassador - Lincoln	1,885,218	2,026,609	16,371	16,044	126.32	112.31	(224,755)
Lincoln	Gateway Manor	123,120	132,354	1,218	1,194	110.88	112.31	1,704
Lincoln	Homestead	1,220,254	1,311,773	12,507	12,257	107.02	112.31	64,795
Lincoln	Milder Manor	1,556,118	1,672,827	20,250	19,845	84.29	112.31	555,965

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	Facility	CY 96 Payment	(Estimate) 7.5% Incr. to FY 98 Pymt	CY 96 XIX Days	(Estimate) 2% Decr. to FY 98 Days	FY 98 Est. Avg. Rate/Day	Nebr Proxy for Medicare Cost Limit	Approximate Transfer Calculation
Lincoln	Tabitha Nursing Home	5,361,919	5,764,063	49,351	48,364	119.18	112.31	(332,304)
Lincoln	Village Manor	611,090	656,922	8,604	8,432	77.91	112.31	290,067
Loup City	Rose Lane Home	1,008,322	1,083,946	15,059	14,758	73.45	109.77	536,020
Lyons	Comm Care of America	955,381	1,027,035	15,445	15,136	67.85	109.77	634,455
Macy	Carl T. Curtis	760,727	817,782	8,470	8,301	98.52	109.77	93,375
Milford	Comm Care of America	839,847	902,836	12,170	11,927	75.70	109.77	406,347
Milford	Sunrise Country Manor	1,041,498	1,119,610	17,955	17,596	63.63	109.77	811,892
Minden	Bethany Home	627,855	674,944	9,631	9,438	71.51	109.77	361,107
Nebraska City	The Ambassador - Nebr City	707,957	761,054	9,767	9,572	79.51	109.77	289,627
Nebraska City	Nebraska City Manor	2,351,495	2,527,857	29,270	28,685	88.13	109.77	620,851
Neligh	Neligh Nursing Ctr	1,241,358	1,334,460	18,377	18,009	74.10	109.77	642,439
Nelson	Nelson Good Sam	626,457	673,441	9,053	8,872	75.91	109.77	300,432
Newman Grove	Mid-Nebraska Lutheran Home	584,630	628,477	8,511	8,341	75.35	109.77	287,090
Norfolk	Heritage of Bel Air	936,937	1,007,207	12,623	12,371	81.42	109.77	350,707
Norfolk	Norfolk Nursing Ctr	1,604,260	1,724,580	21,062	20,641	83.55	109.77	541,157
Norfolk	St Joseph's NH	1,111,830	1,195,217	15,135	14,832	80.58	109.77	432,924
North Bend	Birchwood Manor	861,340	925,941	12,677	12,423	74.53	109.77	437,783
North Platte	Centennial Park	572,855	615,819	7,380	7,232	85.15	109.77	178,081
North Platte	Linden Manor	1,020,147	1,096,658	13,911	13,633	80.44	109.77	399,812
North Platte	North Platte Care Ctr	1,006,959	1,082,481	17,671	17,318	62.51	109.77	818,470
Ogallala	Indian Hills Manor	841,816	904,952	13,632	13,359	67.74	109.77	561,505
Omaha	Aksarben Manor	3,990,674	4,289,975	40,017	39,217	109.39	112.31	114,449
Omaha	The Ambassador - Omaha	3,315,127	3,563,762	25,545	25,034	142.36	112.31	(752,182)
Omaha	Florence Heights	1,730,288	1,860,060	21,179	20,755	89.62	112.31	470,982
Omaha	Florence Home	1,570,917	1,688,736	19,437	19,048	88.66	112.31	450,574
Omaha	Hallmark Care Ctr	3,793,360	4,077,862	46,446	45,517	89.59	112.31	1,034,161
Omaha	Lindenwood NH	274,412	294,993	4,377	4,289	68.77	112.31	186,756
Omaha	The Lutheran Home	3,602,983	3,873,207	39,369	38,582	100.39	112.31	459,895
Omaha	Maple Crest Care Ctr	4,681,150	5,032,236	45,720	44,806	112.31	112.31	(119)
Omaha	Millard Good Sam	1,701,955	1,829,602	16,519	16,189	113.02	112.31	(11,458)
O	Montclair Nursing Ctr	405,843	436,281	5,441	5,332	81.82	112.31	162,576
O	Oak Grove	3,097,086	3,329,367	32,521	31,871	104.47	112.31	250,017
O	The Omaha Nursing Home	852,049	915,953	13,596	13,324	68.74	112.31	580,475
Omaha	Rose Blumkin Jewish Home	1,753,394	1,884,899	17,224	16,880	111.67	112.31	10,840
Omaha	St Joseph Villa Nursing Ctr	2,904,025	3,121,827	29,203	28,619	109.08	112.31	92,366
Omaha	Ville de Sante NH	1,649,719	1,773,448	20,987	20,567	86.23	112.31	536,461
O'Neill	O'Neill Nursing Center	1,168,363	1,255,990	15,928	15,609	80.46	109.77	457,458
Osceola	Osceola Good Sam	736,908	792,176	9,507	9,317	85.03	109.77	230,536
Oxford	Walker Post Manor	507,980	546,079	8,201	8,037	67.95	109.77	336,141
Palmer	Comm Care of America	49,360	53,062	8,239	8,074	6.57	109.77	833,245
Papillion	Huntington Park Care Ctr	1,451,850	1,560,739	19,087	18,705	83.44	109.77	492,538
Papillion	Papillion Manor	252,965	271,937	3,795	3,719	73.12	109.77	136,308
Pawnee City	Pawnee Manor	551,265	592,610	10,182	9,978	59.39	109.77	502,715
Pender	Pender Care Ctr	425,327	457,227	7,352	7,205	63.46	109.77	333,662
Pierce	Pierce Manor	788,028	847,130	14,955	14,656	57.80	109.77	761,648
Plattsmouth	Plattsmouth Manor	2,149,729	2,310,959	24,685	24,191	95.53	109.77	344,520
Ponca	Elms Health Care Ctr	791,996	851,396	12,961	12,702	67.03	109.77	542,879
Randolph	Colonial Manor	393,618	423,139	8,066	7,905	53.53	109.77	444,557
Ravenna	Ravenna Good Sam	815,624	876,796	13,707	13,433	65.27	109.77	597,729
Red Cloud	Heritage of Red Cloud	521,597	560,717	7,829	7,672	73.08	109.77	281,485
St Edward	Cloverlodge Care Ctr	563,539	605,804	8,578	8,406	72.06	109.77	316,970
St Paul	Heritage Living Ctr	847,089	910,621	12,853	12,596	72.29	109.77	472,036
Sargent	Sargent Health & Rehab	638,487	686,374	7,562	7,411	92.62	109.77	127,106
Schuyler	Schuyler Nursing Ctr	814,163	875,225	10,986	10,766	81.29	109.77	306,589
Scottsbluff	Scottsbluff Nursing Ctr	2,982,820	3,206,532	46,271	45,346	70.71	109.77	1,771,053
Scribner	Scribner Good Sam	1,036,343	1,114,069	15,423	15,115	73.71	109.77	545,054
Seward	Anna Sundermann Home	1,170,926	1,258,745	17,116	16,774	75.04	109.77	582,501
Sidney	Sidney Health & Rehab	738,249	793,618	9,834	9,637	82.35	109.77	264,271
So Sioux City	Regency Square Care Ctr	1,226,732	1,318,737	15,753	15,438	85.42	112.31	415,098
So Sioux City	Walker's Colonial Manor	1,046,730	1,125,235	18,084	17,722	63.49	112.31	865,159
Spalding	Friendship Villa	336,396	361,626	4,670	4,577	79.02	109.77	140,748
Surg	Midwest Covenant Home	1,073,129	1,153,614	13,989	13,709	84.15	109.77	351,247
S	Superior Good Sam	929,119	998,803	14,370	14,083	70.92	109.77	547,044
S. and	Comm Care of America	1,069,439	1,149,647	14,074	13,793	83.35	109.77	364,358
Sutton	Sutton Community Home	532,045	571,948	6,705	6,571	87.04	109.77	149,339
Syracuse	Good Sam	1,294,538	1,391,628	15,449	15,140	91.92	109.77	270,292
Tecumseh	Belle Terrace	556,022	597,724	10,711	10,497	56.94	109.77	554,508
Tecumseh	Maple Grove Home	287,199	308,739	4,546	4,455	69.30	109.77	180,295
Tekamah	Tekamah Nursing Ctr	881,123	947,207	10,647	10,434	90.78	109.77	198,140
Tilden	Tilden Nursing Ctr	756,915	813,684	10,767	10,552	77.11	109.77	344,572

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n	Facility	CY 96 Payment Before TPL	(Estimate) 7.5% Incr. to FY 98 Pyrrt	CY 96 XIX Days	(Estimate) 2% Decr. to FY 98 Days	FY 98 Est. Avg. Rate/Day	Nebr Proxy for Medicare Cost Limit	Approximate Transfer Calculation
Utica	Comm Care of America	552,867	594,332	6,249	6,124	97.05	109.77	77,902
Valentine	Pine View Good Sam	879,795	945,780	13,007	12,747	74.20	109.77	453,443
Valley	Valhaven Nursing Ctr	1,011,586	1,087,455	11,882	11,644	93.39	112.31	220,323
Wahoo	Haven House	466,038	479,491	7,546	7,395	64.84	109.77	332,267
Wauneta	Heritage of Wauneta	523,477	562,738	7,754	7,599	74.05	109.77	271,396
Wausa	Wausa Health Care Ctr	881,693	947,820	11,465	11,236	84.36	109.77	285,523
Waverly	Comm Care of America	332,458	357,392	4,621	4,529	78.92	112.31	151,212
Wayne	Wayne Care Ctr	1,092,278	1,174,199	16,242	15,917	73.77	109.77	573,028
West Point	West Point Living Ctr	604,715	650,069	11,650	11,417	56.94	109.77	603,175
Wood River	Western Hall Co Good Sam	1,096,498	1,178,735	14,868	14,571	80.90	109.77	420,684
Wymore	Wymore Good Sam	730,049	784,803	12,804	12,548	62.54	109.77	592,583
York	The Hearthstone	1,674,468	1,800,053	21,920	21,482	83.80	109.77	557,982
Totals		174,804,109	187,914,417	2,299,380	2,253,392	83.39		60,934,298
Average Rate after Transfer						83.39		
(Non-governmental HB NFs from Roster as of December 31, 1997)								
Aurora	Memorial Hospital	659,645	709,118	8,718	8,544	83.00	138.83	476,995
Beatrice	Parkview Ctr	1,033,602	1,111,122	12,739	12,484	89.00	138.83	622,062
Broken Bow	Jennie M. Melham Mem Med Ctr	620,899	667,466	10,503	10,293	64.85	138.83	761,502
Burwell	Community Mem Hlth Ctr	954,904	1,026,522	11,595	11,363	90.34	138.83	551,017
Cambridge	Tri Valley Health System	641,598	689,718	7,807	7,651	90.15	138.83	372,451
Fairbury	Jefferson Comm Health Ctr	259,442	278,900	3,082	3,020	92.34	138.83	140,416
Grand Island	St Francis Mem Health Ctr	595,611	640,282	5,195	5,091	125.76	138.83	66,516
Hastings	Mary Lanning Mem Hosp	6,039	6,492	70	69	94.63	138.83	3,032
Henderson	Henderson Health Care Svcs	569,291	611,988	6,820	6,684	91.57	138.83	315,896
Kearney	Good Sam Hospital	101,662	109,287	929	910	120.04	138.83	17,107
Lincoln	Madonna Rehabilitation Hospital	3,254,952	3,499,073	26,902	26,364	132.72	157.16	644,287
Omaha	Alegent Health Bergan Mercy	4,569,418	4,912,124	38,598	37,826	129.86	157.16	1,032,616
Omaha	Alegent Health Immanuel Med Ctr	4,269,406	4,589,611	40,000	39,200	117.08	157.16	1,571,061
Omaha	Bishop Clarkson Mem Hosp	36,006	38,706	304	298	129.92	157.16	8,115
Omaha	Alegent Health-Mem Hosp	272,169	292,582	3,113	3,051	95.91	138.83	130,953
South Platte	Regional West Med Ctr	23,381	25,135	223	219	115.01	138.83	5,205
Sidney	Memorial Health Ctr	664,642	714,490	9,005	8,825	80.96	138.83	510,671
Totals		18,532,667	19,922,617	185,603	181,891	109.53		7,229,902
Average Rate after Transfer						109.53		
Total, All Facilities		247,490,139	266,051,899	3,157,042	3,093,901	85.99		90,571,899
Prorate to one-half for 1/1/98 through 6/30/98 Period								45,285,950
IGT-97								



March 31, 1997

Richard P. Brummel  
Associate Regional Administrator for Medicaid  
Room 227, Federal Office Building  
601 East 12th Street  
Kansas City, MO 64106-2898

Dear Mr. Brummel:

The enclosed Plan Amendment MS-97-8 addresses our hospital payment rate methodology for inpatient hospital services provided to Nebraska Medicaid clients who are not covered by the Nebraska Medicaid Managed Care Program's capitated plans. This proposed amendment revises Section 10-010.03B4a. Rather than naming a specific hospital (Children's Hospital) as we do presently, we have revised the section to incorporate the criteria under which all Nebraska hospital(s) which primarily serve children may receive additional payment. This change is effective January 1, 1997.

We request your approval of this State Plan change.

ASSURANCES:

1. PAYMENT RATES

a. REASONABLE AND ADEQUATE: The Department finds that the rates promulgated under this system are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers which provide services in conformity with applicable State and Federal laws, regulations, and quality and safety standards.

b. METHODS AND STANDARDS: The Department finds that the payment rates take into account the situation of hospitals which serve a disproportionate number of low income patients with special needs.

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c. INAPPROPRIATE LEVEL OF CARE: The Department finds that services furnished to hospital inpatients who require a lower covered level of care will be paid at rates lower than those for inpatient hospital level of care services, reflecting the level of care actually received, in a manner consistent with section 1861(v)(1)(G) of the Act.

d. ACCESS: The Department finds that rates are adequate to assure that recipients have reasonable access, taking into account geographic location and reasonable travel time, to inpatient hospital services of adequate quality.

## 2. UPPER PAYMENT LIMITS

a. Except as provided under section 10-010.03G Disproportionate Share Hospitals, aggregate payments to providers may not exceed the amount that can reasonably be estimated that would have been paid for those services under Medicare payment principles.

b. Aggregate disproportionate share hospital payments do not exceed the disproportionate share hospital payment limits under 42 CFR Ch. IV Subpart E.

b. Payments to State-operated providers may not exceed the amount that can reasonably be estimated that would have been paid under Medicare payment principles.

c. Payment rates can reasonably be expected not to increase in the aggregate solely as a result of changes of ownership, more than the payments would increase under Medicare under 42 CFR 413.130, 413.134, 413.153, and 413.157, insofar as these sections affect payments for depreciation, interest on capital indebtedness, return on equity capital, acquisition costs for which payments were previously made to prior owners, and the recapture of depreciation.

## 3. PROVIDER APPEALS

An appeals procedure is provided under section 10-010.03U, which allows individual providers an opportunity to submit additional evidence and receive prompt administrative review of payment rates.

## 4. UNIFORM COST REPORTING

Uniform cost reports must be filed by each participating provider under section 10-010.03A Medicare Cost Report.

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5. AUDIT REQUIREMENTS

Periodic audits are provided for under section 10-010.03T.

6. PUBLIC NOTICE

No public notice was published.

42 CFR 447.253(h) requires that the Medicaid agency comply with the public notice requirements when it is proposing a significant change to its methods or standards for setting payment rates. The State assures HCFA that this is not a significant change for the following reasons:

1. The current State Plan Amendment 95-6, effective July, 1995, contains a provision which allows an additional amount to be paid to Children's Hospital. This proposed change incorporates a standard (Medicare certification) which, when met, allows any Nebraska hospital to receive the additional payment as a hospital which primarily serves children. The designated payment rate (120% of the peer group base payment) is not changing, however.
2. Only one other hospital in Nebraska will qualify for the additional payment.
3. The estimated fiscal impact for one year (total State and Federal dollars) is \$25,000.

7. RATES PAID

Services are paid for using rates determined in accordance with methods and standards specified in the approved State plan.

8. RELATED INFORMATION

- a. The estimated average payment rates are:

	7/95	1/97	Increase/Decrease
Estimated Average Payment Rate	\$680	\$680	%0

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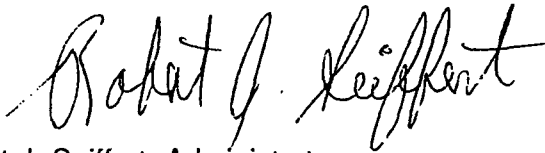
Richard P. Brummel  
March 31, 1997  
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b. The estimated short and long-term effect of the change in the estimated average rate will:

1. continue to ensure availability of services on a Statewide and geographic area basis because providers in Nebraska will receive rates which allow adequate reimbursement for continued participation in the program;
2. continue to ensure that necessary and proper care will be furnished to those in need of services;
3. continue to ensure statewide provider participation;
4. 115% of the costs are covered in hospitals that serve a disproportionate number of low income patients with special needs.

If you have any questions regarding this State Plan Amendment, please contact Tom Folmer at (402) 471-9202.

Sincerely,



Robert J. Seiffert, Administrator  
Medicaid Division

Enclosure

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# STATE OF NEBRASKA

MODS

## DEPARTMENT OF SOCIAL SERVICES

Dean Harvey

Director



E. Benjamin Nelson  
Governor

June 5, 1995

Richard P. Brummel  
Associate Regional Administrator for Medicaid  
Room 227, Federal Office Building  
601 East 12th Street  
Kansas City, MO 64106-2898

Dear Mr. Brummel:

The enclosed Plan Amendment MS-95-6 addresses our hospital payment rate methodology for inpatient hospital services provided to Nebraska Medicaid clients who are not covered by the Nebraska Medicaid Managed Care Program's capitated plans. This plan establishes prospective rates based on Medicare Diagnosis Related Groupings (DRGs) for hospital inpatient discharges occurring on or after July 1, 1995, for three peer groupings (Metro Acute Care Hospitals, Other Urban Acute Hospitals, and Rural Acute Care Hospitals). Three other peer groupings (Excluded Rural Acute Care Hospitals, Psychiatric Hospitals and Distinct Part Units in Acute Care Hospitals, and Rehabilitation Hospitals and Distinct Part Units) have prospective rates established on the basis of per day costs, also effective July 1, 1995.

This amendment revises Attachment 4.19-A of the State Plan. We request your approval of this State Plan change.

### ASSURANCES:

#### 1. PAYMENT RATES

a. REASONABLE AND ADEQUATE: The Department finds that the rates promulgated under this system are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers which provide services in conformity with applicable State and Federal laws, regulations, and quality and safety standards.

b. METHODS AND STANDARDS: The Department finds that the payment rates take into account the situation of hospitals which serve a disproportionate number of low income patients with special needs.

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Supersedes #  
Effective Date JUL 25 1995  
Approval Date DEC 11 1995

c. INAPPROPRIATE LEVEL OF CARE: The Department finds that services furnished to hospital inpatients who require a lower covered level of care will be paid at rates lower than those for inpatient hospital level of care services, reflecting the level of care actually received, in a manner consistent with section 1861(v)(1)(G) of the Act.

d. ACCESS: The Department finds that rates are adequate to assure that recipients have reasonable access, taking into account geographic location and reasonable travel time, to inpatient hospital services of adequate quality.

2. UPPER PAYMENT LIMITS

a. Except as provided under section 10-010.03G Disproportionate Share Hospitals, aggregate payments to providers may not exceed the amount that can reasonably be estimated that would have been paid for those services under Medicare payment principles.

b. Aggregate disproportionate share hospital payments do not exceed the disproportionate share hospital payment limits under 42 CFR Ch. IV Subpart E.

b. Payments to State-operated providers may not exceed the amount that can reasonably be estimated that would have been paid under Medicare payment principles.

c. Payment rates can reasonably be expected not to increase in the aggregate solely as a result of changes of ownership; more than the payments would increase under Medicare under 42 CFR 413.130, 413.134, 413.153, and 413.157, insofar as as these sections affect payments for depreciation, interest on capital indebtedness, return on equity capital, acquisition costs for which payments were previously made to prior owners, and the recapture of depreciation.

3. PROVIDER APPEALS

An appeals procedure is provided under section 10-010.03U, which allows individual providers an opportunity to submit additional evidence and receive prompt administrative review of payment rates.

4. UNIFORM COST REPORTING

Uniform cost reports must be filed by each participating provider under section 10-010.03A Medicare Cost Report.

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5. AUDIT REQUIREMENTS

Periodic audits are provided for under section 10-010.03T.

6. PUBLIC NOTICE

Public notice was published on May 1, 1995 in the Lincoln Journal-Star and the Omaha World-Herald.

7. RATES PAID

Services are paid for using rates determined in accordance with methods and standards specified in the approved State plan.

8. RELATED INFORMATION

a. The estimated average payment rates are:

	7/1/94	7/1/95	Increase/Decrease
Estimated Average Payment Rate	\$701	\$680	-3.1%

b. The estimated short and long-term effect of the change in the estimated average rate will:

1. continue to ensure availability of services on a Statewide and geographic area basis because providers in Nebraska will receive rates which allow adequate reimbursement for continued participation in the program;
2. continue to ensure that necessary and proper care will be furnished to those in need of services;
3. continue to ensure statewide provider participation;
4. 115% of the costs are covered in hospitals that serve a disproportionate number of low income patients with special needs.

State Plan #

File Date July 25 1995  
Approval Date 10-1-1995